

MyHealthCareOptions (MHCO) Proposed Additional Cost Measures for January 2012 Update

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Massachusetts Health Care Quality and Cost Council

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Review: MHCO Updates

- **December 2008:** Website and hospital cost and quality data launched
- **December 2009/January 2010:** Hospital cost/quality updated
- **January 2010-June 2010:** Website Version 2 designed and implemented
- **July 2010:** Quality Update and version 2 launch
 - Added quality measures for Medical Groups
 - Updated Hospital quality measures
- **January 2011:** Hospital cost and quality update

Pending

- **September 2011:** Medical Group quality update
- **January 2012:** Hospital cost and quality update



MHCO Provider Data

Provider Type	Hospital	Medical Group
Number	75	150+
Conditions	29	16
Quality Measures	132	25
Cost Measures	37	



Current Hospital Cost Measures

■ INPATIENT:

Nine displayed with quality measure(s):

Angioplasty, Bypass Surgery, Heart Attack, Heart Failure, Heart Valve Surgery, Hip Replacement, Pneumonia, Stroke, Weight-loss Surgery

Nine displayed without quality measure(s):

Back Procedure (2), Cesarean Section, COPD, Gall Bladder, Intestinal Surgery, Knee Replacement, Normal Newborn, Vaginal Delivery

■ OUTPATIENT:

Cardiac Screening Tests (3), CT Scan (5), Mammogram, MRI (3), Radiation Treatment (3), Ultrasound (2), X-Ray



Vote on Proposed Additional Inpatient Cost Measures

- Background: the Cost Trends Report included 14 DRGs. MHCO currently displays 11 of the 14.
- Propose to include the remaining 3 DRGs on MHCO in the January 2012 update.*
 - Uterine and adnexa procedures for nonmalignancy except leiomyoma (513)**
 - Knee and lower leg procedures (313)**
 - Appendectomy (225)**

*When possible based on sample size. We don't know the sample size until the data analysis is complete.

**The surgical care patient safety measures currently reported on MHCO apply to these procedures, but no DRG breakdown is available.



Questions



Reference Information



Principles for Selecting Cost Measures

- Cost measures should reflect sufficient volume and relevance to be useful to an intended audience: consumers, employers, providers, insurers or policy-makers.
- Cost measures should be accurate and reliable, and should be as timely as is feasible.
- Cost measures should include the range of costs per procedure for an individual provider, as well as the most likely cost (median, mean or mode).
- The Council should make efforts to display cost measures, to the extent possible, in ways that minimize harmful unintended consequences such as increased health care costs, collusion, introducing barriers to market entry, and other anti-competitive behavior.



How is cost calculated for hospitals?

- Commercial health plan claims
- Cost is based on the actual price that health plans pay hospitals.
- These are median dollar amounts meaning that half of the cases at this hospital cost more and half cost less.
- Costs are adjusted for severity of illness. The claims are rated using APR-DRG (All Patient Refined-Diagnosis Related Groups) software by [3M Health Information Systems](#).
- The website displays the adjusted inpatient cost per case. This shows a hospital's cost for treating a patient with average severity.

